

STATEMENT OF
DR. DONALD J. DEVINE
U.S. OFFICE OF PERSONNEL MANAGEMENT
BEFORE THE
SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS
OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
U.S. HOUSE OF REPRESENTATIVES
ON THE
FEDERAL EMPLOYEES PAY EQUITY ACT OF 1984
AND THE PAY EQUITY ACT OF 1984
APRIL 3, 1984

MADAM CHAIRWOMAN AND MEMBERS OF THE SUBCOMMITTEE, I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO ADDRESS THE SUBCOMMITTEE ON H.R. 4599, AND INDIRECTLY ON H.R. 5092.

FIRST, I WANT TO MAKE ABUNDANTLY CLEAR THAT THIS ADMINISTRATION IS FULLY COMMITTED TO EQUAL PAY FOR EQUAL WORK. I WOULD ALSO LIKE TO POINT OUT AT THE OUTSET THAT THE STATUTES CONTROLLING PAY ALREADY REQUIRE EQUAL PAY FOR SUBSTANTIALLY EQUAL WORK. THE SYSTEM FOR EVALUATING POSITIONS IN THE FEDERAL SERVICE, WHICH I WILL DESCRIBE IN SOME DETAIL, IS DESIGNED TO INSURE THAT THE PRINCIPLES SET FORTH BY THE CONGRESS IN LAW ARE CARRIED OUT. ABOUT 1600 OPM EMPLOYEES WORK IN OUR STAFFING GROUP, WHICH PERFORMS RECRUITING, EXAMINING, AND JOB STANDARDS FUNCTIONS, AND MAKES UP MORE THAN 25 PERCENT OF OPM'S TOTAL EMPLOYMENT. THE MAJOR ASSUMPTION OF H.R. 4599 IS THAT SALARY DISCRIMINATION IS PREVALENT IN THE FEDERAL GOVERNMENT WAGE SYSTEM. IF THIS IS TRUE, THE PRESENT SYSTEM IS ALREADY AT VARIANCE WITH THE LAW.

I BELIEVE IT WOULD BE USEFUL TO FIRST OUTLINE THE LEGAL PRINCIPLES UNDER WHICH THE FEDERAL SYSTEM WORKS.

- ° SECTION 2301 OF TITLE 5 OF THE UNITED STATES CODE ESTABLISHES THE MERIT SYSTEM PRINCIPLES UNDER WHICH THE WHOLE PERSONNEL SYSTEM OPERATES. THESE PRINCIPLES REQUIRE EFFICIENT AND FAIR PERSONNEL MANAGEMENT, AS WELL AS SPECIFIC REQUIREMENTS WHICH DEAL DIRECTLY WITH OUR TOPIC TODAY. PARTICULARLY PERTINENT ARE MERIT PRINCIPLE NUMBER (2), WHICH REQUIRES FAIR AND EQUITABLE TREATMENT OF ALL EMPLOYEES AND APPLICANTS, AND PRINCIPLE NUMBER (3) WHICH STATES: "EQUAL PAY SHOULD BE PROVIDED FOR WORK OF EQUAL VALUE, WITH APPROPRIATE CONSIDERATION OF BOTH NATIONAL AND LOCAL RATES PAID BY EMPLOYERS IN THE PRIVATE SECTOR, AND APPROPRIATE INCENTIVES AND RECOGNITION SHOULD BE PROVIDED FOR EXCELLENCE IN PERFORMANCE."

- ° SECTION 5101 OF TITLE 5 STATES,

"IT IS THE PURPOSE OF THIS CHAPTER TO PROVIDE A PLAN FOR CLASSIFICATION OF POSITIONS WHEREBY --

(1) IN DETERMINING THE RATE OF BASIC PAY WHICH AN EMPLOYEE WILL RECEIVE --

(A) THE PRINCIPLE OF EQUAL PAY FOR SUBSTANTIALLY EQUAL WORK WILL BE FOLLOWED; AND

(B) VARIATIONS IN RATES OF BASIC PAY PAID TO DIFFERENT EMPLOYEES WILL BE IN PROPORTION TO SUBSTANTIAL

DIFFERENCES IN THE DIFFICULTY, RESPONSIBILITY,
AND QUALIFICATION REQUIREMENTS OF THE WORK PERFORMED
AND TO THE CONTRIBUTIONS OF EMPLOYEES TO EFFICIENCY
AND ECONOMY IN THE SERVICE; AND

(2) INDIVIDUAL POSITIONS WILL, IN ACCORDANCE WITH THEIR
DUTIES, RESPONSIBILITIES, AND QUALIFICATION REQUIREMENTS,
BE SO GROUPED AND IDENTIFIED BY CLASSES AND GRADES, AS
DEFINED BY SECTION 5102 OF THIS TITLE, AND THE
VARIOUS CLASSES WILL BE SO DESCRIBED IN PUBLISHED
STANDARDS, AS PROVIDED BY SECTION 5105 OF THIS
TITLE, THAT THE RESULTING POSITION-CLASSIFICATION
SYSTEM CAN BE USED IN ALL PHASES OF PERSONNEL
ADMINISTRATION."

° SECTION 5105 OF TITLE 5 STATES,

"(A) THE OFFICE OF PERSONNEL MANAGEMENT, AFTER CONSULTING
THE AGENCIES, SHALL PREPARE STANDARDS FOR PLACING POSITIONS
IN THEIR PROPER CLASSES AND GRADES. THE OFFICE MAY MAKE
SUCH INQUIRIES OR INVESTIGATIONS OF THE DUTIES, RESPON-
SIBILITIES, AND QUALIFICATION REQUIREMENTS OF POSITIONS
AS IT CONSIDERS NECESSARY FOR THIS PURPOSE. THE AGENCIES,
ON REQUEST OF THE OFFICE, SHALL FURNISH INFORMATION FOR
AND COOPERATE IN THE PREPARATION OF THE STANDARDS. IN
THE STANDARDS, WHICH SHALL BE PUBLISHED IN SUCH FORM AS
THE OFFICE MAY DETERMINE, THE OFFICE SHALL--

- (1) DEFINE THE VARIOUS CLASSES OF POSITIONS IN TERMS OF DUTIES, RESPONSIBILITIES, AND QUALIFICATION REQUIREMENTS;
- (2) ESTABLISH THE OFFICIAL CLASS TITLES; AND
- (3) SET FORTH THE GRADES IN WHICH THE CLASSES HAVE BEEN PLACED BY THE OFFICE.

° SECTION 5104 OF TITLE 5, USC, DEFINES IN GENERAL TERMS THE LEVEL OF DUTIES AND RESPONSIBILITIES FOR EACH GENERAL SCHEDULE GRADE 1 THROUGH 18. TO IMPLEMENT THIS LEGALLY ESTABLISHED POLICY ON GRADE DIFFICULTY AND RESPONSIBILITY LEVELS, WE HAVE A JOB EVALUATION SYSTEM AND CLASSIFICATION STANDARDS, WHICH I WOULD LIKE TO DISCUSS IN SOME DETAIL.

THE GENERAL SCHEDULE INCLUDES ABOUT 1.4 MILLION EMPLOYEES. GS POSITIONS ARE LOCATED IN ALMOST ALL FEDERAL AGENCIES AND INCLUDE A GREAT DIVERSITY OF OCCUPATIONS RANGING FROM MESSENGERS AND CLERKS TO HIGHLY SKILLED PROFESSIONALS IN SUCH FIELDS AS ECONOMICS, LAW, ACCOUNTING, THE SOCIAL, MEDICAL, BIOLOGICAL, AND PHYSICAL SCIENCES, ENGINEERING, EDUCATION, MANAGEMENT, AND ADMINISTRATION.

THE PRIME METHODOLOGY USED TO EVALUATE GS POSITIONS IS CALLED THE FACTOR EVALUATION SYSTEM (FES) FOR NONSUPERVISORY POSITIONS GS-1 THROUGH GS-15. FES WAS DEVELOPED IN THE 1970'S AND IMPLEMENTED IN 1975 IN RESPONSE TO THE JOB EVALUATION POLICY ACT OF 1970, WHICH IDENTIFIED A NUMBER OF CONCERNS RELATED TO EQUITY AND CONSISTENCY IN THE EVALUATION OF FEDERAL POSITIONS.

FES HAS NINE FACTORS AND FROM 3 TO 9 LEVELS DEFINED FOR EACH FACTOR. THESE FACTORS, ALONG WITH THEIR NUMBER OF FACTOR LEVELS AND POINT RANGES, ARE:

- FACTOR 1, KNOWLEDGE REQUIRED BY THE POSITION (9 LEVELS, 50 TO 1850 POINTS)
- FACTOR 2, SUPERVISORY CONTROLS (5 LEVELS, 25 TO 650 POINTS)
- FACTOR 3, GUIDELINES (5 LEVELS, 25 TO 650 POINTS)
- FACTOR 4, COMPLEXITY (6 LEVELS, 25 TO 450 POINTS)
- FACTOR 5, SCOPE AND EFFECT (6 LEVELS, 25 TO 450 POINTS)
- FACTOR 6, PERSONAL CONTACTS (4 LEVELS, 10 TO 110 POINTS)
- FACTOR 7, PURPOSE OF CONTACTS (4 LEVELS, 20 TO 220 POINTS)
- FACTOR 8, PHYSICAL DEMANDS (3 LEVELS, 5 TO 50 POINTS)
- FACTOR 9, WORK ENVIRONMENT (3 LEVELS, 5 TO 50 POINTS)

IN UTILIZING FES, POSITIONS ARE POINT-RATED FACTOR LEVEL-BY-FACTOR LEVEL AND THE FOLLOWING POINT RANGES ARE USED TO CONVERT A POSITION'S TOTAL POINT SCORE TO A GS GRADE.

| GS GRADE | RANGE |
|----------|-----------|
| 1 | 190-250 |
| 2 | 255-450 |
| 3 | 455-650 |
| 4 | 655-850 |
| 5 | 855-1100 |
| 6 | 1105-1350 |
| 7 | 1355-1600 |
| 8 | 1605-1850 |
| 9 | 1855-2100 |

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| | |
|----|-----------|
| 10 | 2105-2350 |
| 11 | 2355-2750 |
| 12 | 2755-3150 |
| 13 | 3155-3600 |
| 14 | 3605-4050 |
| 15 | 4055-4480 |

EACH OF THE 45 FACTOR LEVELS IN THIS NINE FACTOR SYSTEM IS DEFINED IN A PRIMARY STANDARD BY A SHORT PARAGRAPH. SINCE THE FEDERAL GOVERNMENT OPERATES A HIGHLY DECENTRALIZED CLASSIFICATION SYSTEM, A GENERALLY WRITTEN PRIMARY STANDARD FACTOR LEVEL DEFINITION HAS NOT, IN THE PAST, BEEN DEEMED TO BE SPECIFIC ENOUGH TO INSURE UNIFORM GRADING BY THE APPROXIMATELY 2,000 POSITION CLASSIFICATION SPECIALISTS, WORLDWIDE, WHO UTILIZE THE SYSTEM TO EVALUATE 1.4 MILLION POSITIONS IN HUNDREDS OF ORGANIZATIONAL LOCATIONS. THUS, THE U.S. OFFICE OF PERSONNEL MANAGEMENT INTERPRETS THE PRIMARY STANDARD'S FACTOR LEVELS BY DESCRIBING THEM IN SPECIFIC OCCUPATIONAL TERMS. THESE DESCRIPTIONS, ALONG WITH OTHER GUIDANCE, ARE FOUND IN INDIVIDUAL PUBLISHED CLASSIFICATION STANDARDS.

OCCUPATIONAL CLASSIFICATION STANDARDS ALSO INCLUDE BENCHMARK POSITION DESCRIPTIONS. BENCHMARKS ARE POSITION DESCRIPTIONS WHICH ARE OFFICIALLY CLASSIFIED BY THE OFFICE OF PERSONNEL MANAGEMENT. EACH BENCHMARK CONTAINS A SUMMARY DUTY STATEMENT AND A FURTHER INTERPRETATION OF EACH OF THE FES FACTORS, WRITTEN IN TERMS OF POSITIONS WHICH ARE FOUND IN SIGNIFICANT NUMBERS IN THE OCCUPATION.

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THUS, WHILE OPM OCCUPATIONALLY INTERPRETS THE POSITION CLASSIFICATION STATUTE AND THE FES PRIMARY STANDARD THROUGH THE DEVELOPMENT AND ISSUANCE OF STANDARDS, AGENCIES EVALUATE THEIR POSITIONS BY APPLYING THE CLASSIFICATION STANDARDS.

AS YOU CAN SEE, THE EXISTING SYSTEM IS THAT SUMMARIZED IN SECTION 5(4) OF H.R. 4599, INCLUDING THE GUARANTEE OF EQUAL PAY FOR SUBSTANTIALLY EQUAL WORK.

ALL OF THESE PARTS OF THE FEDERAL SYSTEM -- THE STATUTE, THE PRIMARY STANDARD, OCCUPATIONAL FACTOR LEVEL DESCRIPTIONS, OCCUPATIONAL BENCHMARKS -- COMPRISE AN INTERLOCKING JOB EVALUATION SYSTEM.

THE FOCAL POINT OF FEDERAL JOB EVALUATION, THEN, IS CLASSIFICATION STANDARDS. STANDARDS CONTAIN THE HIGHLY SPECIFIC MEASURES AGENCIES NEED TO GRADE THEIR POSITIONS. INCLUDED IN STANDARDS ARE THE OCCUPATIONALLY BASED FACTOR LEVEL DESCRIPTIONS WHICH INTERPRET THE PRIMARY STANDARD'S FACTOR LEVELS, BENCHMARKS COVERING FROM THREE TO TWENTY POSITIONS DEPENDING ON THE OCCUPATIONS' COMPLEXITY AND DIVERSITY, AND A HOST OF OTHER GUIDANCE MATERIALS.

IN THE COURSE OF AN OCCUPATIONAL STUDY, THE OCCUPATIONAL SPECIALIST DEVELOPS EXTENSIVE AND DETAILED INFORMATION REGARDING THE WORK OF THE OCCUPATION AND HOW IT IS DONE, LEVELS OF WORK, THE KNOWLEDGES, SKILLS AND ABILITIES REQUIRED TO DO THE WORK OF EACH LEVEL AND SPECIALIZATION, AND THE RELATIONSHIP OF THE WORK TO OTHER OCCUPATIONS. THESE FACTS AND JUDGMENTS ARE OBTAINED FROM KEY MANAGEMENT OFFICIALS

AND SUPERVISORS, EMPLOYEES AT VARIOUS LEVELS IN THE OCCUPATION, PERSONNEL OFFICIALS AND SPECIALISTS, PROFESSIONAL AND TECHNICAL SOCIETIES, UNIONS AND OTHER ORGANIZED GROUPS, REPRESENTATIVES OF THE ACADEMIC COMMUNITY, INDUSTRY, AND OTHERS.

THIS BODY OF INFORMATION FORMS THE BASIS FOR A DRAFT CLASSIFICATION AND QUALIFICATION STANDARD WHICH:

- DESCRIBES THE LEVELS OF DIFFICULTY AND RESPONSIBILITY IN THE OCCUPATION,
- IDENTIFIES THOSE LEVELS WITH GRADE LEVELS DEFINED IN SECTION 5104, TITLE 5,
- DESCRIBES THE KNOWLEDGES, SKILLS AND ABILITIES REQUIRED TO ENTER THE OCCUPATION, AND THOSE REQUIRED AT VARIOUS HIGHER LEVELS,
- IDENTIFIES THE KINDS AND LEVELS OF EDUCATION, EXPERIENCE, AND TRAINING WHICH PROVIDE THE REQUIRED KNOWLEDGES, SKILLS AND ABILITIES.

DRAFT STANDARDS ARE ISSUED FOR REVIEW AND COMMENT BY AGENCIES, UNIONS, AND OTHER INTERESTED PARTIES. THIS CRITICAL REVIEW OF DRAFT STANDARDS IS A VITAL PART OF THE PROCESS. THE COMMENTS RECEIVED ARE CAREFULLY REVIEWED AND APPROPRIATE CORRECTIONS OR CLARIFICATIONS ARE MADE SO THAT THE FINAL STANDARDS ISSUED ARE ACCURATE AND CAN BE APPLIED CONSISTENTLY. THE MANAGEMENT OF EACH AGENCY APPLIES THESE STANDARDS IN CLASSIFYING JOBS WITHIN THAT AGENCY.

H.R. 4599 PROPOSES THAT OPM ESTABLISH AN EQUITABLE JOB EVALUATION TECHNIQUE. THE BILL DEFINES A JOB EVALUATION TECHNIQUE AS "AN

OBJECTIVE METHOD OF DETERMINING THE COMPARATIVE VALUE OF DIFFERENT JOBS UTILIZING A SYSTEM WHICH RATES NUMERICALLY THE BASIC FEATURES AND REQUIREMENTS OF A PARTICULAR JOB, INCLUDING SUCH FACTORS AS EDUCATION, TRAINING, SKILLS, EXPERIENCE, EFFORT, RESPONSIBILITY, AND WORKING CONDITIONS." THE BILL DEFINES AN EQUITABLE JOB EVALUATION TECHNIQUE AS A "JOB EVALUATION TECHNIQUE WHICH, TO THE MAXIMUM EXTENT POSSIBLE DOES NOT INCLUDE COMPONENTS FOR DETERMINING THE COMPARATIVE VALUE OF A JOB THAT REFLECT THE SEX, RACE, OR ETHNICITY OF THE EMPLOYEE." FES IS SUCH A SYSTEM. IT SEEMS TO ME THAT THIS LEGISLATION PROPOSES THE ESTABLISHMENT OF THAT WHICH ALREADY IS IN PLACE.

BOTH H.R. 4599 AND 5092 PROPOSE TO MANDATE A STUDY OF THE FEDERAL JOB EVALUATION SYSTEM. YOU WILL BE PLEASED TO KNOW THAT A LEGISLATIVELY-MANDATED STUDY IS NOT NECESSARY. I HAVE ALREADY DIRECTED MY STAFF TO CONDUCT A THOROUGH REVIEW OF THE ENTIRE STANDARDS PROCESS. INCLUDED IN THE REVIEW IS THE EXAMINATION OF THE STANDARDS DEVELOPMENT PROCESS AND ITS RELATIONSHIP TO WAGE DETERMINATION. MORE SPECIFICALLY:

- WE ARE EXAMINING HOW CLOSELY OUR SYSTEM FOLLOWS CIVIL SERVICE LAW, PARTICULARLY WHETHER WE FOLLOW MERIT PRINCIPLE 3.
- WE ARE STUDYING WHETHER ANY FORM OF DISCRIMINATION EXISTS IN OUR CLASSIFICATION SYSTEM. WE RECOGNIZE THAT THE ELIMINATION OF ANY DISCRIMINATION IS AN IMPORTANT AND DESIRABLE GOAL.
- WE ARE EXAMINING THE JUDGMENTAL ASPECT OF JOB EVALUATION TO DETERMINE IF THE SUBJECTIVITY OF OUR SYSTEM CAN BE REDUCED IN ANY WAY. WE WANT TO ENSURE THAT WE OPERATE A SYSTEM WHICH IS NEITHER ARBITRARY NOR BIASED.

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- WE ARE EXPLORING WHAT UNNECESSARY RESTRICTIONS MAY EXIST ON ENTRY TO FEDERAL JOBS, SUCH AS EXCESSIVE CREDENTIALING.
- WE ARE COMPARING THE VIRTUES AND PROBLEMS OF THE FEDERAL WAGE SYSTEM WITH THOSE OF THE GENERAL SCHEDULE AND WE ARE EXAMINING THE RATIONALE FOR MAINTAINING THESE DISTINCT SYSTEMS.

THERE HAS BEEN A GOOD DEAL OF PUBLIC DISCUSSION OF "COMPARABLE WORTH" AS A MECHANISM FOR GIVING SPECIAL ATTENTION TO RECOGNIZING THE WORTH OF JOBS, ESPECIALLY THOSE PREDOMINATELY POPULATED BY WOMEN. MUCH OF THE DISCUSSION HAS CONCENTRATED ON DOCUMENTING THE PAY RELATIONSHIPS BY SEX AMONG JOBS, AND PERCEIVED PAY DIFFERENCES. BUT THERE IS LITTLE INFORMATION ON HOW TO GET FROM THE PROBLEM TO THE SOLUTION. THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) IN 1978 COMMISSIONED THE NATIONAL ACADEMY OF SCIENCES TO EXAMINE THE ISSUES INVOLVED IN THE COMPARABLE WORTH CONCEPT OF COMPENSATION. THE NAS REPORT "WOMEN, WORK, AND WAGES: EQUAL PAY FOR JOBS OF EQUAL VALUE", WAS ISSUED IN 1981. ALTHOUGH THE NAS FINAL REPORT DID NOT DEFINITELY DESCRIBE WHAT MIGHT CONSTITUTE A FAIR AND EQUITABLE JOB EVALUATION PLAN, IT DID SUGGEST SOME CHARACTERISTICS WHICH THE NAS COMMITTEE BELIEVED TO BE PRE-REQUISITE FOR A COMPARABLE WORTH JOB EVALUATION SYSTEM. THESE ARE 1) CONSISTENT TREATMENT OF JOBS WITHIN A COMPREHENSIVE EVALUATION PLAN; 2) EXPLICIT EVALUATION CRITERIA; AND 3) AN EMPHASIS ON INTERNAL EQUITY AMONG JOBS.

THESE ARE THE SAME CHARACTERISTICS PRESENT IN THE CURRENT FEDERAL JOB EVALUATION SYSTEM. FOR EXAMPLE, AS REGARDS CONSISTENT TREATMENT OF JOBS, GRADES FOR ALL GENERAL SCHEDULE POSITIONS ARE DETERMINED BY

AGENCY PERSONNEL STAFFS USING THE POSITION CLASSIFICATION STANDARDS DEVELOPED AND ISSUED BY OPM. AS I INDICATED EARLIER, OPM CLASSIFICATION STANDARDS INTERPRET THE GRADE VALUE GUIDANCE PROVIDED IN SECTION 5104 OF TITLE 5. SO THE SAME SCALE OF VALUES IS USED FOR ALL POSITIONS FROM GS-1 THROUGH GS-15, REGARDLESS OF TYPE OR LEVEL OF POSITION.

IN ADDITION, BY APPLYING EACH OF THE 9 COMMON FACTORS CONSISTENTLY, THE FACTOR EVALUATION SYSTEM FURTHER INSURES THAT ALL POSITIONS ARE FULLY EVALUATED WITHIN A COMMON FRAMEWORK.

AS REGARDS AVAILABILITY OF EXPLICIT EVALUATION CRITERIA, MANY OF OUR POSITION CLASSIFICATION STANDARDS RUN UPWARDS OF 100 PAGES IN LENGTH. THERE ARE ABOUT 300 OCCUPATIONAL STANDARDS FOR THE APPROXIMATELY 425 GS OCCUPATIONS. THOSE OCCUPATIONS WITHOUT SPECIFIC STANDARDS, MOST OF WHICH HAVE RELATIVELY FEW EMPLOYEES, ARE EVALUATED BY CROSS-REFERENCING TO RELATED OCCUPATIONS. AND, OF COURSE, THERE IS EASY ACCESS TO PUBLISHED STANDARDS THROUGH THE GOVERNMENT PRINTING OFFICE, AGENCY PERSONNEL OFFICES, AND MANY PUBLIC AND UNIVERSITY LIBRARIES. EACH CLASSIFICATION STANDARD PROVIDES A GOOD DEAL OF INFORMATION ABOUT ITS OCCUPATIONAL COVERAGE SO THAT POSITIONS WILL BE CLASSIFIED TO THE CORRECT SERIES, AND SPECIFIC GRADE LEVEL CRITERIA. FES BENCHMARKS, IN ADDITION, DESCRIBE WORK SITUATIONS WHICH TYPICALLY REPRESENT SIGNIFICANT NUMBERS OF POSITIONS IN THE OCCUPATION.

THE THIRD CHARACTERISTIC, EMPHASIS ON INTERNAL EQUITY, CAN BE TRACED BACK TO THE 1923 CLASSIFICATION ACT. IN THAT ACT, GRADES WERE FIRST ESTABLISHED AND DEFINED IN TERMS OF THE LEVEL OF DIFFICULTY, RESPONSIBILITY, AND QUALIFICATIONS REQUIRED. THESE GRADES

WERE THOUGHT TO BE SO CENTRAL TO THE SYSTEM THAT THEY AND THEIR SHORT DEFINITIONS WERE ESTABLISHED IN LAW. ALL OF THE GOVERNMENT'S VARIOUS WHITE-COLLAR JOBS WERE THEN ANALYZED AND EVALUATED IN TERMS OF THOSE MEASURES AND PLACED (OR "CLASSIFIED") INTO GRADES. ONLY THEN WAS PAY ATTACHED TO THE GRADES, YIELDING A PAY RATE FOR AN EMPLOYEE IN A JOB CLASSIFIED TO THAT GRADE. THUS, DIVERSE JOBS, IN DIVERSE OCCUPATIONS, IN DIVERSE AGENCIES FOUND THEIR WAY INTO THE SAME SINGLE GRADE, WHOSE INCUMBENTS WERE THEN PAID THE SAME.

ALTHOUGH THE 1923 CLASSIFICATION ACT ESTABLISHED ONLY FIVE DIFFERENT JOB EVALUATION (OR PAY) SERVICES, THOSE FIVE SERVICES WERE CONCEPTUALLY INTERRELATED. THOSE SERVICES WERE: P, FOR PROFESSIONAL AND SCIENTIFIC; CAF, FOR CLERICAL, ADMINISTRATIVE AND FISCAL; SP, FOR SUBPROFESSIONAL; CU, FOR CUSTODIAL; AND CM, FOR CLERICAL - MECHANICAL.

BY 1949 ONLY THE FIRST THREE SERVICES WERE IN EXTENSIVE USE FOR WHITE COLLAR JOBS. HOWEVER, ALL DURING THE 1923-1949 PERIOD CERTAIN GRADES IN THE P AND CAF SERVICES ALWAYS HAD THE SAME PAY RATES. THE PRINCIPAL LINK BETWEEN THESE SEPARATE SERVICES WAS THE EQUATION OF GRADE P-1 (BEGINNING COLLEGE GRADUATE PROFESSIONAL) WITH CAF-5 (FULL PERFORMANCE SECRETARY, ACCOUNTING TECHNICIAN, OR PERSONNEL ASSISTANT). APPARENTLY, THIS RESULTED FROM THE BELIEF THAT A FOUR YEAR (I.E., 36 MONTH) COLLEGE EDUCATION WAS EQUIVALENT TO THREE YEARS OF PROGRESSIVELY RESPONSIBLE EXPERIENCE IN A DEMANDING OFFICE OR TECHNICAL JOB.

WHEN THE TWO MAJOR SCHEDULES WERE MERGED INTO ONE BY LAW IN 1949, P-1 AND CAF-5 BECAME THE SINGLE GRADE GS-5. THE TEN-GRADED CAF SYSTEM BECAME THE FIRST TEN GRADES OF THE NEW GS SYSTEM AND (WITH A SEVERAL GRADE OVERLAP -- GS-5 THROUGH GS-10) THE EIGHT GRADED P SYSTEM BECAME THE GS SYSTEM'S LAST EIGHT GRADES (GS-5, 7, 9, 11, 12, 13, 14, AND 15). THIS IS BASICALLY THE SYSTEM THAT EXISTS TODAY. ONE GENERAL SCHEDULE FOR VIRTUALLY ALL WHITE COLLAR JOBS IN THE CIVILIAN FEDERAL CIVIL SERVICE, CHARACTERIZED BY GRADE LEVELS DEFINED IN STATUTE, AND DIVERSE BUT EQUALLY VALUED JOBS IN THE SAME GRADE LEVELS.

IT IS IMPORTANT TO NOTE THAT THE NATIONAL ACADEMY OF SCIENCES' STUDY CONCLUDED THAT FOR ALL JOB EVALUATION SYSTEMS "IT MUST BE RECOGNIZED THAT THERE ARE NO DEFINITIVE TESTS OF THE FAIRNESS OF THE CHOICE OF COMPENSABLE FACTORS AND THE RELATIVE WEIGHTS GIVEN TO THEM. THE PROCESS IS INHERENTLY JUDGEMENTAL AND ITS SUCCESS IN GENERATING A WAGE STRUCTURE THAT IS DEEMED EQUITABLE DEPENDS ON ACHIEVING A CONSENSUS ABOUT FACTORS AND THEIR WEIGHTS AMONG EMPLOYERS AND EMPLOYEES." THE MINORITY REPORT, ALTHOUGH GIVING SUPPORT TO THE IDEA THAT THE CONTENT OF JOBS CAN BE EVALUATED NEUTRALLY, STRESSED THAT ANY SUCH SYSTEM HAD TO BE CORRELATED TO EXISTING MARKET VALUES.

THE MAJOR CRITICISM LEVELED AT EXISTING JOB EVALUATION/COMPENSATION SYSTEMS, PUBLIC AND PRIVATE, BY COMPARABLE WORTH PROPONENTS IS PRECISELY THIS PERCEIVED OVER-RELIANCE ON THE USE OF EXTERNAL LABOR MARKET WAGE RATES TO SET THE PAY OF AN ORGANIZATION'S WORKFORCE.

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THEY ARGUE THAT SINCE SUCH RELIANCE ON MARKET-PLACE RATES TENDS TO PERPETUATE DIFFERENCES IN PAY, COMPARABILITY WITH THE MARKET, ESPECIALLY ON A JOB-TO-JOB BASIS, WOULD SIMPLY REINFORCE SUCH DIFFERENCES.

YET, EVEN WHEN THERE IS AGREEMENT ON COMPARABLE WORTH PRINCIPLES, IT IS DIFFICULT TO DECIDE HOW TO DEAL WITH IT. EVEN THE NATIONAL ACADEMY OF SCIENCES REPORT CAUTIONED THAT THEIR METHODS WERE EXPERIMENTAL, AND DID NOT SPECIFY HOW ONE GETS FROM FAIR JOB EVALUATION TO "COMPARABLE WORTH."

WHAT IS NOT EXPERIMENTAL IS JOB EVALUATION IN THE FEDERAL GOVERNMENT. IT IS FAIR AND IT EXISTS INDEPENDENTLY OF THE ISSUE OF COMPARABLE WORTH.

WHEN I SAY THE SYSTEM IS FAIR, HOWEVER, THAT DOES NOT MEAN IT IS PERFECT, FOR HUMAN BEINGS ARE NOT PERFECT. FOR EXAMPLE, THIS ADMINISTRATION HAS DISCOVERED SUBSTANTIAL MISCLASSIFICATION BY AGENCIES OF FEDERAL JOBS. NOT ONLY IS OVERCLASSIFICATION UNFAIR TO TAXPAYERS SINCE IT IS EXPENSIVE, BUT, IF ONE ASSUMES SEX BIAS ON THE PART OF FEDERAL MANAGEMENT, ONE MUST ASSUME SUCH BIAS CARRIES OVER INTO MISCLASSIFICATION. IT FOLLOWS THAT LACK OF PROPER CLASSIFICATION BY AGENCIES WOULD BE A MAJOR SOURCE OF ANY SEX BIAS IN THE FEDERAL WORK FORCE, NOT IMPERFECTIONS IN STANDARDS SETTING.

ALSO, IT SHOULD BE NOTED THAT IN ITS 1982 STUDY BREAKING TRUST, THE MERIT SYSTEMS PROTECTION BOARD REPORTED THAT BY FAR THE LARGEST NUMBER OF REPORTS OF OBSERVED GROUP DISCRIMINATION WAS AGAINST NON-MINORITY MALES. ONE IN THREE RESPONDENTS HAD OBSERVED INSTANCES

OF THIS SORT OF MERIT SYSTEM VIOLATION. IT MAY BE ARGUED THAT FEDERAL EMPLOYEES ARE NOT THE BEST EVIDENCE ON SUCH MATTERS SINCE OPM EVALUATIONS HAVE NOT DETECTED SUCH VIOLATIONS. ON THE OTHER HAND, EMPLOYEES MAY HAVE BETTER ACCESS TO AND THEREFORE KNOWLEDGE OF THESE MATTERS THAN OUTSIDE EVALUATORS.

I WOULD BE LESS THAN CANDID IF I DID NOT ALSO ADMIT THAT THERE IS A SIGNIFICANT JUDGMENTAL FACTOR IN JOB EVALUATION ITSELF. ALTHOUGH CRITERIA INTENDED TO BE OBJECTIVE ARE USED, AND NUMBERS ARE EVEN THE FINAL PRODUCT, JUDGMENT IS INVOLVED IN EVERY STAGE, EVEN OF THE STANDARDS PROCESS. CLEARLY THIS IS SO FOR THE MAJOR FACTOR DECISIONS MADE THROUGHOUT THE PROCESS.

WHEN SETTING STANDARDS EVALUATING JOBS, THERE MUST BE SOME PERSPECTIVE ACCORDING TO WHICH OPM OPERATES. FIRST, ONE COULD SIMPLY BE ARBITRARY OR BIASED. CLEARLY THAT IS UNACCEPTABLE. A SECOND PERSPECTIVE IS TO RELY UPON THE EXPERTS IN THE PROFESSIONAL ASSOCIATIONS WHICH CERTIFY THE OCCUPATIONS. IN GENERAL, HOWEVER, THE INTEREST OF SUCH AN ASSOCIATION IS TO RESTRICT ENTRY THROUGH CREDENTIALING, TO LIMIT SUPPLY AND THEREFORE INCREASE THE COMPENSATION OF THOSE ALREADY CERTIFIED.

THIS DIRECTOR'S APPROACH HAS BEEN TO LIMIT CREDENTIALING TO THE MINIMUM NECESSARY TO PROVIDE FOR THE KNOWLEDGE, SKILLS AND DEMANDS NECESSARY FOR PERFORMING THE WORK. IN THIS WAY, THE MARKET IS ABLE TO WORK TO ITS MAXIMUM, TO ALLOW THE GREATEST AMOUNT OF OPPORTUNITY TO ALL POTENTIAL APPLICANTS FOR THE POSITION. THIS LIMIT ON CREDENTIALING IS ESPECIALLY BENEFICIAL FOR MANY WOMEN,

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SINCE HISTORIC EDUCATIONAL AND CULTURAL PATTERNS IN MANY OCCUPATIONS HAVE MADE IT DIFFICULT FOR SOME WOMEN TO ACCUMULATE EXTENSIVE FORMAL CREDENTIALS. WE ARE WORKING TO RID THE SYSTEM OF AS MANY OF THE RESTRICTIONS TO ENTRY, LIKE CREDENTIALING, AS WE CAN. YET, I MIGHT ADD THAT, IN EACH CASE WHERE I HAVE ATTEMPTED TO DO SO, SUBSTANTIAL OPPOSITION HAS BEEN GENERATED.

TO ACHIEVE THE UNIFORMITY ASSUMED BY COMPARABLE WORTH ADVOCATES, IT WOULD ALSO BE NECESSARY TO CONSIDER THE WAGE GRADE SYSTEM. AT PRESENT, 450,000 FEDERAL EMPLOYEES IN TRADITIONAL, BLUE-COLLAR, MORE UNIONIZED OCCUPATIONS, ARE NOT INTEGRATED INTO THE WHITE-COLLAR JOB EVALUATION SYSTEM. WE WOULD EXPECT VERY SUBSTANTIAL UNION OPPOSITION TO SUCH AN EFFORT.

I WOULD LIKE TO STRESS, AGAIN, THAT EVEN IF ALL OF THESE CHANGES WERE ACCOMPLISHED TO MAKE THE JOB EVALUATION SYSTEM MORE EQUITABLE, THIS STILL WOULD NOT BE A "COMPARABLE WORTH" SYSTEM. AS TWO STAFF MEMBERS OF THE NATIONAL ACADEMY OF SCIENCES HAVE PREVIOUSLY TESTIFIED TO THIS COMMITTEE, THERE IS STILL THE QUESTION OF "RELATIVE WORTH." AS THEY NOTED, RELATIVE WORTH IS A "MATTER OF VALUES;" IT IS A DIFFICULT PROBLEM TO MEASURE VALUES AND WORTH. WHO'S VALUES DO WE RELY UPON? MINE? YOURS? REALLY, THE ONLY WAY FREE SOCIETIES HAVE FOUND TO DO THIS IS TO REFER TO THE VALUE CHOICES WHICH EXIST IN THE MARKET. BUT THIS BRINGS US FULL CIRCLE, SINCE IT IS OFTEN THESE VALUES WHICH ARE OBJECTED TO BY THE PROPONENTS OF "COMPARABLE WORTH".

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GIVEN PRESENT KNOWLEDGE REGARDING THE SETTING OF THE WORTH OF A JOB, I DO NOT SEE ANY ALTERNATIVE TO HAVING THE FINAL TOUCHSTONE FOR SETTING "WORTH" TO BE THE MARKET. FAIR JOB EVALUATION CAN ONLY GO SO FAR. WE SHOULD CONTINUE REFINING OUR CLASSIFICATION SYSTEM BUT, UNLESS NEW IDEAS ARE DEVELOPED, WE CANNOT GO MUCH FURTHER WITHOUT BEING ARBITRARY.

AT THE SECOND DAY OF THE LAST HEARINGS YOU HELD ON THIS SUBJECT, CONGRESSWOMAN FERRARO REALLY ASKED THE CENTRAL QUESTION. SHE ASKED, HOW COULD ONE DETERMINE WORTH IF NEITHER MARKET FORCES OR JOB EVALUATION TECHNIQUES COULD DO IT? THOMAS DONOHUE, SECRETARY-TREASURER OF THE AFL-CIO, SAID THAT WORTH MUST BE DETERMINED IN THE PRIVATE SECTOR BY JOINT AGREEMENTS REACHED BY LABOR AND MANAGEMENT. THIS MEANS, IN EFFECT, RELYING ON THE MARKET. THIS IS THE NECESSARY ANSWER TO THE QUESTION FOR THE PRIVATE SECTOR.

THE FEDERAL GOVERNMENT MUST FOLLOW THE PRIVATE SECTOR. OUR WHOLE COMPENSATION SYSTEM IS BASED UPON THE PRINCIPLE OF COMPARABILITY TO THE PRIVATE SECTOR. ALTHOUGH ADHERENCE TO THAT PRINCIPLE HAS BEEN DIFFICULT IN RECENT YEARS, THE PRINCIPLE ITSELF REMAINS THE ONLY ONE UNDER WHICH WE CAN OPERATE AND CAN BE JUSTIFIED TO THE PUBLIC AS FAIR AND NOT ARBITRARY.

IN CONCLUSION, MADAM CHAIRWOMAN, I BELIEVE WE AT THE U.S. OFFICE OF PERSONNEL MANAGEMENT HAVE MADE AND ARE MAKING PROGRESS IN IMPROVING OUR SYSTEM OF CLASSIFYING AND EVALUATING FEDERAL JOBS.

THE OFFICE OF PERSONNEL MANAGEMENT REMAINS DEDICATED TO THE SETTING OF FAIR STANDARDS THROUGH JOB EVALUATION, FAIR ENFORCEMENT OF CLASSIFICATION DECISIONS IN THE AGENCIES, AND CREATING A MORE ACCURATE PAY COMPARABILITY SYSTEM. I HOPE THESE ACTIONS WILL BE OF SOME BENEFIT IN ACHIEVING THE FAIR CLASSIFICATION AND PAY SYSTEM WHICH ALL FEDERAL EMPLOYEES DESERVE.

MADAM CHAIRWOMAN THIS CONCLUDES MY PREPARED STATEMENT. I WILL BE GLAD TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.